

It's time to turn the tide on SA's youth unemployment crisis

By  Katja Hamilton

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SA's youth unemployment is at a crisis point.



Source: REUTERS

Up to 8.3 million young people between the ages of 15 and 24 are estimated to be neither in employment or educational training.

"Out of 100 students who start Grade 1, only 12 access our university system. Out of the 12 who access university, only six finish," Blade Nzimande, Minister of Higher Education, Science and Technology of South Africa said.

"What this clearly indicates is that there are many young people who are lost through the system and we need to cater to them."

Nzimande was speaking at the Fuel Retailers Association Conference.

Private business partnerships

"Government cannot solve the growing unemployment crisis alone. This is the reason we want to partner with the Fuel Retailers Association (FRA) because we both have a major role to play in restoring the dignity of, and offering a glimmer of hope to South Africa's young people and many struggling SMMEs that are fighting for survival," Nzimande said.

"FRA members are invited to open spaces for workplace-based learning experiences within the fuel-retail sector for these young TVET college graduates, many of whom have finished their theoretical training but are short of the practical workplace experience."

Nzimande said the Wholesale & Retail Seta is already collaborating with fuel retailers on some of government's workplace-based learning programmes, and stand ready to work with apprentices to ensure they receive the necessary support.

Government aims to address the need for training

Furthermore, Nzimande announced government's decision to scale up workplace-based learning programmes as a means to rebuild SA's economy.

"Government has increased its targets for workplace-based learning programmes from 78,317 in 2020/2021 to 107,000 during the current 2022/23 financial year. This includes an increase in learnership internships and other work-integrated learning programmes.

"The president in his Sona address committed the placement of at least 10,000 TVET graduates in workplaces. As a department in engagement with the Setas, we have committed to place an additional 5,000 TVET graduates, over and above the target set by the president," Nzimande said.

"Government has also increased the apprenticeship-learnership grant from R165,000 (in 2019) to R206,000 in April last year to encourage employers to open up their workplaces to apprentices.

"The opening up of workplaces to train our young people is especially important in creating more jobs, especially artisans," Nzimande said.



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"Since we landed our centres of specialisation in our TVET colleges, which are focusing on priority trades in artisan skills, we have opened eight trade centres in various TVET colleges in different parts of our country. This is important because in the history of our country, we had only one trade test centre which was in Olifantsfontein."

Government's target is to produce 30,000 artisans per annum by 2030.

Out of the 508,000 TVET college enrolments, 98% are funded through the National Student Financial Aid Scheme (NSFAS).

Too much too little too late?

But the long-term sustainability of the partnership between government and FRA members to this end remains to be seen. Fuel retailers continue to face a slow recovery in volumes of fuel sold as well as slow sales in their convenience stores due to sluggish consumer spending, all factors of which are destabilising jobs.

[<https://www.news24.com/fin24/economy/calls-to-deregulate-fuel-price-are-ignorant-retail-industry-says-20220608> Calls to deregulate]] the fuel price could also create further job losses.

Furthermore, the need for the automotive industry to lower its carbon footprint is seeing the automotive industry, and therefore the fuel industry (and by proxy the fuel-retail sector), on the verge of being turned on its head.

The [KPMG 2021 Global Automotive Executive Survey](#) reports that over 1,100 executives in 31 countries expect to see a sweeping transformation of the sector in the next five to 10 years.

Some speakers at the FRA Conference warned that many petrol stations and forecourts will face closure as a result.

That's unless the sector preempts the industry disruption, strategically positions itself to take advantage of the opportunities being presented by the upcoming changes and reframes its fuel-retail offering. The reinvention of the fuel-retail sector could soften the blow, they said.

Preparing to upskill the workforce of the future

Thinking along these lines is Sasol, which is testing consumer response to a new offering.

The Pantry is the [first hybrid supermarket store](#) in the country, led by The Marble Group, to deliver a unique customer experience at a petrol station.

Based in Rosebank, you can fill up with petrol and visit the store, which has wine, a deli, and fresh produce. You can even ask the on-duty chefs or restaurant managers for new food inspirations to whip up a meal.

Looking to fuse retail and hospitality, the group wants to make fancy food "easy", with an app to come soon.



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Among the big trends to come is a shift to electric vehicles, which is likely to gather pace as a bevy of new and exciting EVs hit the market. There are [claims](#) that by 2030, there could be 26 million electric cars in the US alone, which means the country will need more than 10 times as many EV chargers.

Within this context, it might not be uncommon for companies to launch branded EV recharging forecourts. Starbucks is already [preparing](#) for this unfolding in the US, as the idea of the coffeehouse chain opening up its own forecourts gains traction.

The company is partnering with Volvo and Chargepoint to install EV chargers in its parking lots along a 560km route from Denver to Seattle, with stops available roughly every 160km.

EV owners could stop for breakfast while they charge their vehicles and plan the next phase of their journey, as an example. In the pilot, Starbucks will test usage rates and decide whether it wants to expand the service nationally as part of its larger sustainability plan.

The future of SA's fuel retail

So what does the future hold for SA's youth looking to gain workplace-based training in the fuel-retail sector in order find a job or to start their own businesses?

Can members of the FRA live up to government's expectations to apprentice its TVET graduates?

Because there are such varied opinions on what the future of fuel retail will look like, these times look set to produce winners and losers.



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Fuel retailers who prepare themselves now for change will survive. For some, this may mean selling their businesses before the ship sinks, while others may choose to slipstream into new ways of doing business.

For those in the fast lane who choose to upskill their employees - and train apprentices while they're at it - the market opportunities on the horizon are exciting.

One thing remains certain, change is coming - and when it does - it will be a case of adapt or die.

"The FRA sector, which has more than 5,000 SMMEs has a huge role to play in our work-based placed learning programmes," Nzimande said.

The sector employs over 83,000 people.

But for now, the bottom line is: the economy and people need fuel and fuel retailers as we know them – at least for the immediate future.

Only time will tell if Nzimande's call for TVET graduates to train with FRA members may prove a step in the right direction.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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